

Indiana	ICES Program Policy Manual	DFC
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## **2800.00.00      INCOME**

This chapter discusses types of income. Refer to Chapter 3200 to determine which assistance group (AG) members must have their income considered.

The specific income situations discussed in this chapter are:

- Definition of Income (Section 2805);
- Earned Income (Section 2810);
- In-kind Income (Section 2815);
- Vendor Payments (Section 2820);
- Infrequent or Irregular Income (Section 2825);
- Support, Child, Spousal (Section 2830);
- Assistance from Government Programs (Section 2835);
- Benefit Programs (Section 2840);
- Benefits Due to Federal Law (Section 2845);
- Dividends and Interest (Section 2850);
- Reimbursements (Section 2855);
- Student Loans, Grants, and Scholarships (Section 2860);
- Loans (Section 2865);
- Contributions (Section 2870);
- Residential Living Allowances (Section 2835.50);
- Real Estate Income (Section 2875);
- Lump Sum Payments (Section 2880);
- Deemed Income (Section 2885);
- Verification of Income (Section 2895); and
- Footnotes for Chapter 2800 (Section 2899).

## **2805.00.00      DEFINITION OF INCOME**

Income is the gain or benefit, earned or unearned, which is received or is available to the AG.

All unearned and earned income, unless specifically exempted, disregarded, deducted for work expenses, or allocated to dependents as allowed by state or federal regulation, is to be evaluated in determining initial and continuing eligibility.

## **2805.05.00      EARNED AND UNEARNED INCOME**

Income is broken down into two categories for budgeting purposes: earned income and unearned income.

Earned income is payment received in the form of wages, salaries and commissions from an employer or from self-

employment. In-kind earnings such as goods or services received in lieu of wages are also considered earned income. It can also be profits from the sale of farm crops, livestock, or poultry.

Unearned income is income for which there is no performance of work or services. Unearned income may include:

- retirement, disability payments, unemployment/worker's compensation, and so forth;

- annuities, pensions, and other regular payments;

- alimony and support payments;

- dividends, interest, and royalties;

- proceeds of life insurance policies (when paid in installments);

- winnings, prizes and awards;

- gifts and inheritances; and

- benefits administered through the Social Security Administration.

#### **2805.10.00      AVAILABILITY OF INCOME**

Income is considered available when it is actually received and/or when the individual has the ability to make the income available. Refer to Section 3405.00.00 regarding the income budgeting principals.

#### **2805.15.00      OWNERSHIP OF INCOME**

The individual who has title to the proceeds of a payment or property is the individual who "owns" the income.

If the income is received by an individual's legal representative or guardian, the individual still owns the income.

When a legal representative receives the income, ownership through one of the following documents must be verified:

- the designation on the payment, check, award letter, or other document; or

- the title to the property.

#### **2805.15.05      Establishing Income Ownership**

The ownership of all sources of income must be determined according to the criteria listed below. This process also establishes the income attributable to each individual to be used in budgeting. Local Offices should consult with their county attorney when necessary to determine income ownership, particularly when trust funds are involved.

Income received and used for the care and maintenance of an individual who is not an AG member is not counted as income. When a single payment is received for AG and non-AG members, the portion intended and used for the care and maintenance of the non-AG member will not be counted as income to the AG.

When a legal representative receives the income, ownership may be verified:

- by specific designation on the payment, check, award letter, or other document; or
- by contacting the payment source to ascertain for whom payment is intended and for what purpose is payment being made.

After ownership has been established, each income source must be attributed to the appropriate owner(s) on the applicable ICES screens. NOTE: One ICES screen per owner.

#### **2805.15.05.05 Income From Non-Trust Property**

Consider income paid in the name of one individual to be the income of that individual.

For income paid in the name of one individual and another person or persons, consider available to each person the amount representing the individual's proportionate interest.

Consider child support income to be the income of the child.

Consider income paid in the name of one spouse to be the income of that spouse.

For income paid in the names of both spouses, consider one-half of the income to be available to each spouse.

For income paid in the name of one or both spouses and to another person or persons, consider available to each spouse the amount representing the spouse's proportionate interest. When no interest is specified, consider available to each spouse one-half of the couple's joint interest.

#### **2805.15.05.10 Income From Trust Property**



The income from a trust source should be considered as available to each individual or to each spouse in accordance with the specific terms of the trust. In the absence of specific provisions, the preceding rules for ownership of income from a non-trust source will apply.

#### **2805.20.00            INCOME THAT IS GARNISHED**

Income earned by an AG member that is garnished by an employer and paid to a third party, such as child support or IRS garnishments, is included as income. For budgeting purposes refer to Sections 3440.06.00 (for F) and 3450.45.00 (for C).

#### **2805.25.00            INVOLUNTARY WITHHOLDING OF TAXES (C, MED)**

The amount of tax that is involuntarily withheld from an individual's unearned income is an allowable deduction from income. In order for the tax to be considered involuntarily withheld, the payee must have no choice as to whether the tax is withheld or not. If the payee can choose the amount of a mandatory withholding, the deduction must be allowed in the smallest permissible amount.

The amount of tax that is being voluntarily withheld from an individual's unearned income is not an allowable deduction from income.

The amount of the withheld tax is entered on screen AEFUD.

#### **2810.00.00            EARNED INCOME**

Earned income is earnings received through wages, salaries, commissions, or profit from activities in which a person is engaged through either employment or self-employment. Income, in order to be considered as "earned", must entail personal involvement and effort on the part of the recipient, including managerial responsibilities.

Examples of earned income include, but are not limited to

Wages, salaries, commissions, bonuses, or profit received as a result of holding a job or being self-employed; this would include earnings from a graduate assistantship, if subject to taxation and available to the student for meeting non-educational living expenses;

Wages received from sheltered workshop employment;

Compensation for jury duty;

Tips;

Goods and services received in lieu of wages for work performed;

The dollar value, as established by the employer, of income received in-kind for work performed when in-kind earnings are received in lieu of wages. Refer to Section 2815.05.00. Earned income is entered on AEIEI and AEINC.

#### **2810.05.00            STRIKER INCOME (F)**

Striker income is addressed on AEIEI; the pre-strike income is entered. If the AG member who is a striker also receives strike benefits, this is designated on AEFIQ and AEFUI. Refer to Section 3425.15.00 regarding budgeting of striker income. Refer to Section 2840.35.00 regarding strike benefits.

#### **2810.10.00            SALE OF BLOOD OR PLASMA**

For F, C, MED 2, 3 and T, income derived from the sale of blood or plasma is included as earned income.

For MED 1 and 4, income from the sale of blood or plasma is considered as unearned income. The sale of blood plasma is entered on AEIEI and AEINC. The system budgets either as unearned or earned based on the appropriate program.

#### **2810.15.00            TIPS**

The amount of tips reported by the employee is included as earned income. Many times an employer will include on the pay stub of the employee an amount the employer must report to the IRS for tax purposes. This is an allocated amount which may or may not be considered as the amount actually earned or received by the employee. The tip amount reported by the employee can be accepted unless questioned.

In some instances, the employee reports actual tips to the employer. In this instance, the employer can verify actual tips earned. The individual should keep records on a daily basis if the tips are not reported to the employer, so this information can be used for verification. NOTE: Worker should be aware that when the hourly wage is less than the minimum wage, the possibility of tips may exist.

#### **2810.20.00            SHELTERED WORKSHOP EARNINGS**

Any payments from a sheltered workshop are included as earned income. A sheltered workshop is a special workshop offering limited employment experience for the mentally or physically handicapped. Refer to Section 3455.15.10.05.

#### **2810.25.00            EARNINGS OF CHILDREN (F)**

The earned income of children who live with their parent(s), who are 17 years old or younger, and attend elementary or high school (including those attending GED or home-school classes recognized by the State) is exempt. This includes living with a natural, adoptive or step-parent or living under parental control of an AG member other than a parent.

Their income is excluded even during temporary interruptions in school attendance due to semester or vacation breaks, provided the child's enrollment will resume following the break.

If the child's earnings or the amount of work performed cannot be differentiated from that of the other AG members, the total earnings shall be prorated equally among the working members and the child's share excluded. When this is the situation, the employment code on AEIEI should be shown as FI (family income) from table TEMP. If this code is used, the system will prorate the income.

If the student becomes 18 during the month of application, the earnings are to be excluded in the month of application but included in the following month.

If the student becomes 18 during the certification period, the student's income is to be included in the month following the month of the 18th birthday.

#### **2810.25.05          Earnings Of Children (C, MED 2, MED 3)**

The policy stated in this section does not apply to the MA E category of assistance.

The consideration of a dependent child's earnings is based upon the child's student status. If the child is not a student, his income counts both in the eligibility determination and the benefit determination. A student is defined as one who is attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment, including a participant in the Job Corps program. (f1) The student's full-time or part-time status is determined by the school's designation. The following sections provide specific earnings considerations.

#### **2810.25.05.05      Full-Time Student/Full Or Part-Time Employee (C, MED 2, MED 3)**

The policy stated in this section does not apply to the MA E category of assistance.

The earnings of a dependent child who is a full-time student and who works either full-time or part-time are totally disregarded in the 185% gross income test at initial eligibility, and the 100% FPL net income test and benefit determination.

**2810.25.05.10 Part-Time Student/Full-Time Employee (C, MED 2, MED 3)**

The policy stated in this section does not apply to the MA E category of assistance.

The earnings of a dependent child who is a part-time student and who works full-time are counted in the eligibility determination. For both initial and continuing eligibility, gross earnings are counted in the 185% test. If the 185% test is passed, applicable work disregards are deducted from gross earnings and any earnings remaining are used in the benefit determination.

**2810.25.05.15 Part-Time Student/Part-Time Employee (C, MED 2, MED 3)**

The policy stated in this section does not apply to the MA E category of assistance.

The earnings of a dependent child who is a part-time student and who works part-time are counted in the 185% test. If the 185% test is passed, earnings are considered as follows:

At initial eligibility, applicable work disregards are deducted from the student's gross earnings. If still eligible, the earnings are totally disregarded in the benefit determination.

For continuing eligibility, earnings are totally disregarded in the benefit determination.

**2810.25.10 Earnings of Children (MED 1, 4)**

All of the earned income of a child under age 14 is disregarded. (f3)

**2810.30.00 SELF-EMPLOYMENT**

An individual is self-employed when the individual owns a business or otherwise engages in a private enterprise. Income derived from self-employment is considered earned income. Refer to Section 3410.05.00 for specific definitions.

This includes, but is not limited to:

operating a small business;

sales from a franchise company;

picking up and selling cans;

farm self-employment;

selling newspapers;

Income from roomers and boarders is treated like self-employment for F, C, MED 2, 3, T; and income from rental property involving an average of 20 hours per week management is treated as self-employment income for F. Refer to Sections 2875.05.05 and 2875.05.10.

Self-employment income and expenses are recorded on AEISE. If additional lines are needed for the income and expenses information, the PF8 key is used. If there is more than one self-employment enterprise, the worker should use the PF16 key to obtain another screen.

Income from rental property is recorded on AERPI. If more lines are needed, the PF8 key is used.

Refer to Section 3410.00.00 to determine how self-employment income is budgeted for each of the programs. Refer to Section 2890.05.00 for proper verification of self-employment income. Refer to Section 3415.00 for budgeting of roomer and boarder income.

#### **2810.35.00            EARNED INCOME RECEIVED FROM TRAINING PROGRAMS**

When an individual participates in a work or on-the-job training program that involves work for payment, the payment is included as earned income. Training allowances from vocational and rehabilitative programs recognized by a government agency are also included income, unless excludable as a reimbursement. For example, IMPACT and Job Training Partnership Act (JTPA) program payments or allowances are included income unless provided as a reimbursement or otherwise identified as excluded income in the following sections. Refer to Section 2855.00 for additional information on reimbursements.

#### **2810.35.05            Workforce Investment Act (WIA) (F)**

Income received through WIA is included as earned income for on-the-job training (OJT) programs, with the following exception:

WIA income paid to an individual who is under 19 and under parental control of another AG member.

Reimbursements of training expenses such as clothing, child care, transportation and other supportive services are excluded. (F4)

**2810.35.10 JTPA Income For Children (C, MED 2, MED 3)**

Earned income received through a JTPA program by a dependent child, either as an applicant or recipient, student or non-student, is to be disregarded for six months per year in the 185% test and benefit determination. These months need not be consecutive.

Income earned by a dependent child who is not a student and who participates in JTPA is to be counted after receiving six months of the disregard per calendar year.

The full-time student disregard cannot be combined with the JTPA disregard; the student in continuous JTPA employment is not entitled to 12 months of the disregard for the 185% test. In situations where there is JTPA and non-JTPA employment within the same calendar year, a dependent child may receive six months of JTPA disregard and six months of full-time student disregard.

**2810.35.15 JTPA Income (MED 1, 4)**

Income received through the Job Training Partnership Act (JTPA) program for on-the-job training is counted as earned income. Reimbursements for supportive services are exempt.

**2810.40.00 EARNED INCOME DISREGARD (F)**

Effective 12/01/02 the waiver to allow the Earned Income Disregard ended. No AGs were to be given an Earned Income Disregard after 11/01/2002. AGs which had the disregard started 11/01/02 or earlier were allowed to continue to have their earnings/child support disregarded for the six (6) month period. Therefore, there may be some AGs with the disregard through 5/03. Beginning 6/03 there should never be an Earned Income Disregard in any Food Stamp budget.

**2815.00.00 IN-KIND INCOME**

Non-cash or in-kind benefits are discussed in the following sections.

**2815.05.00 IN-KIND EARNINGS**

In-kind earnings are goods and services received in exchange for working i.e., in lieu of cash. The dollar value of the work performed as established by the employer is counted as earned income only in situations where the employee has the option of receiving cash for the performed work. If the

employee does not have the option of receiving cash for the performed work, the goods and services received are exempt as income.

**EXAMPLE**

If an AG member works off his rent and the landlord states he would pay the client \$200 a month, but he prefers to receive free rent in lieu of the money. Count \$200 income and allow \$200 as a shelter cost.

If the landlord states he would not pay the client to do the work, do not count any income or allow any shelter deduction.

Countable in-kind earnings are shown in ICES on the AEINC and AEIEI screens. Documentation should be shown in the Running Record Comment Section to support the inclusion of the income.

**2815.10.00 IN-KIND CONTRIBUTIONS (F, C, MED 2, MED 3)**

In-kind contributions or assistance (non-monetary benefits in the form of goods or services) are exempt. For example, meals, clothing, and produce from a garden are exempt as income. There is no screen on which to enter this information. Document as exempt on CLRC.

**2815.15.00 IN-KIND SUPPORT AND MAINTENANCE (MED 1, 4)**

Within MED 1, the policy stated in this section applies to MA A, MA B, and MA D.

In-kind support and maintenance, or income-in-kind, is food, clothing, or shelter received by the applicant/recipient (and his spouse or parent) because someone else pays for it. (f5) Shelter expenses are room, rent or mortgage payments, property taxes, heating fuel, gas, electricity, water, sewerage, and garbage collection services.

The amount to be budgeted as income is the actual value of the in-kind support and maintenance received, not to exceed one-third of the applicable income standard. The actual value is determined and verified by a signed statement from the person providing the in-kind support and maintenance. The one-third value is determined by dividing the income standard by three. Situations which require consideration of income-in-kind are enumerated below. The term "individual" used in this section means the applicant/recipient and his spouse or parent.

If the individual lives in his own household (owns or rents), income-in-kind is received if someone else pays for **all** of the food expenses or **all** of the shelter expenses.

If another person in the household regularly pays a designated amount to the individual for shelter and/or food, that amount is to be considered as rental income from a roomer/boarder.

If the members of a household state that they "share" food and shelter expenses, income-in-kind is not received by the individual. A signed statement by the adult household members must be obtained as verification that the applicant/recipient pays his share.

If the individual lives in another person's household and pays nothing toward the food and shelter expenses, income-in-kind is received.

If the individual pays a designated amount for food and/or shelter, he is not receiving income-in-kind.

In situations where the individual has no ownership interest or rental liability in his residence and he does not pay for **any** of the shelter expenses, income-in-kind is received. A statement from the property owner or leaseholder as to the value of the shelter being provided is to be obtained as verification. If the individual pays any part of the shelter expense, for example, utilities, income-in-kind **is not** received.

If someone provides all of the individual's clothing, income-in-kind is received.

In-kind income is reflected on AEFAI; however, because ICES currently does not budget all situations, fiat may be necessary. There is specific reason code for this situation. Refer to Section 3455.25.00 regarding budgeting in-kind income.

#### **2820.00.00      VENDOR PAYMENTS (F, C, MED 2, MED 3)**

Payments made by a third party directly to a provider of goods or services on behalf of an AG member without obligation are not counted as income.

Some examples are:

A relative who is not an AG member pays the rent directly to the landlord;



medical payments made by a third party to a medical provider;

township trustee payments;

HUD housing subsidies;

child care voucher payments (F).

A payment made on behalf of an AG is considered a vendor payment whenever a person or organization outside of the AG uses its own funds to make a direct payment to either an AG's creditors or a person or organization providing a service to the AG.

Payments specified by court order or other legally binding agreement to go directly to the third party rather than to the AG, and support payments not required by a court order or other legally binding agreement (including payments in excess of amount specified in a court order or written agreement) which are paid to a third party rather than the AG, are considered to be a vendor payment and are excluded, even if the AG agrees to the arrangement. Refer to Section 2870.00 regarding contributions. Vendor payments are not to be entered on an ICES screen. They should be documented on CLRC.

**2825.00.00      INFREQUENT OR IRREGULAR INCOME (F)**

Infrequent or irregular income not in excess of \$30 in a calendar quarter is excluded when receipt cannot be anticipated. This includes one-time gifts of cash for special occasions such as birthdays or Christmas from someone whose income is not included in the AG. If excluded, documentation to justify the exclusion should be entered on CLRC. It is not to be entered on any screen. If the income is anticipated on a regular basis, it will be included on AEFUI regardless of the amount. (f6)

**2825.05.00      CHARITABLE DONATIONS (F)**

An income exclusion of no more than \$300 per quarter may be granted when cash donations, based on need, are received from one or more private nonprofit charitable organizations. (f7) Refer to Section 2870.05.00.

**2825.10.00      INFREQUENT OR IRREGULAR INCOME (C, MED 2, MED 3)**

Each member of the AG is entitled to a \$30 disregard of certain contributions received during a calendar quarter, (f8) (for example, January-March, April-June, July-September, October-December). The contributions which are subject to consideration under this provision are those cash

gifts of \$30 or less which are received less frequently than once a month from the same source.

The \$30 disregard provision cannot be applied to:

single contributions in an amount in excess of \$30; or

any contribution received on a monthly basis from the same source, no matter how minimal the contribution amount.

Gifts are considered in the order in which they are received. This becomes important when the total of all the inconsequential cash gifts received during the quarter exceeds \$30. The combined gift total in excess of \$30 is considered as unearned income in the budget month in which the person's contributions exceed the \$30 disregard.

A gift received by one member of the AG will be considered the income of that member unless the member states that the contribution was intended for the benefit of other individuals. When it is determined by the AG member's statement that the gift was designated for the benefit of part or all of the AG members, the value of the gift is divided equally among the beneficiaries. The \$30 disregard is then applied against each AG member's share of the contribution according to the member's disregard entitlement.

#### **2825.15.00        INFREQUENT OR IRREGULAR INCOME (MED 1, 4)**

Within MED 1, the policy stated in this section applies to MA A, MA B, and MA D.

The following disregard is applicable to all individuals whose income is included in the eligibility determination.

Up to \$20 of unearned income and \$10 of earned income if the income is "infrequent" or "irregular" as defined below, **and** does not exceed the applicable \$20 or \$10 maximum **in a given month.** (f9)

Infrequent - received quarterly or less often than quarterly from a single source;

Irregular - cannot reasonably be expected.

Once it is determined that a source of income cannot be excluded under this provision, it must be considered in the eligibility determination.

EXAMPLE 1

Interest income on a certificate of deposit paid semi-annually in the amount of \$25 must be budgeted.

Reason: It is "infrequent" (semi-annually is less often than quarterly), but it exceeds the \$20 maximum. Applicable budgeting rule is to divide by the appropriate number of months. Therefore, \$4.17 is budgeted monthly.

EXAMPLE 2

Interest income on a certificate of deposit paid semi-annually in the amount of \$20 is disregarded. Reason: It is "infrequent" and does not exceed the \$20 maximum.

EXAMPLE 3

Interest income on a passbook savings account paid monthly averaging \$4 must be budgeted. It is not "infrequent" (monthly is more often than quarterly), although it is less than \$20 in a given month.

EXAMPLE 4

Two sources of interest income are received: \$2 paid quarterly on a savings account and \$15 from a certificate of deposit paid semi-annually. Each source is evaluated separately for the "I or I" determination, then combined to determine if the total exceeds \$20. Therefore, both the \$2 and the \$15 are disregarded. (They are infrequent and the total of \$17 does not exceed \$20.) Refer to Section 2850.00.00.

**2830.00.00      CHILD AND SPOUSAL SUPPORT**

Child support payments are those funds paid by a legal, adjudicated, or alleged parent intended for the support or maintenance of a child. Child support can be voluntarily paid by the non-custodial parent, or court-ordered. However, in order for voluntary payments to be considered child support for eligibility purposes, both parents must be in agreement that the payments are for the support or maintenance of a child. Without this agreement, the payments are considered to be contributions rather than child support.

(For TANF purposes, only court ordered is considered child support.)

Child support is unearned income and is considered the child's income.

Spousal support or alimony is an amount of money allocated from one spouse to another by a court in a divorce or separation agreement. A spousal support or alimony payment is unearned income.

**2830.05.00 CHILD SUPPORT (F)**

Child support paid to the AG, either through the Child Support Bureau (IV-D) or directly to the AG, is counted as unearned income, unless it is designated as a retroactive payment by the Child Support Bureau or County Clerk. If an AG is receiving TANF, only the support actually released to the client by IV-D is counted as unearned income. Retroactive payments are considered as a resource.

Regularly scheduled arrearage payments required by a court order are considered income when paid as ordered.

Child support received and used for the care and maintenance of a child who is not receiving assistance is to be disregarded for Food Stamps.

Payments received for a child no longer in the home and not used for the child's benefit count as a contribution.

Refer to Section 3440.06.00 regarding a deduction in Food Stamp budgets for court ordered child support payments made to non-AG members.

**2830.10.00 CHILD SUPPORT (C, MED 2, MED 3)**

The amount of child support received or anticipated to be received for any member of the AG is unearned income. Child support is budgeted as follows:

Child support received and used for the care and maintenance of a child who is not receiving assistance is to be disregarded.

Payments received for a child no longer in the home and not used for the child's benefit count as a contribution.

Up to the first \$50 of a monthly child support collection is excluded for MED 2 and MED 3 categories.

**2830.10.05 Support Payments (C)**

Support payments received directly by the AG are counted as unearned income. Recipients who receive TANF are required to forward payments of child support, spousal support, and alimony to which they are entitled to the Child Support Bureau. The conversion date of support payments will be entered by the system on the AEIAC screen in the "Child

Support Assignment Effective Date" field at the time of authorization.

Prior to the conversion date, support received by the AG must be included in the budget.

#### **2830.10.10 Support Excess Payments (C)**

TANF recipients may receive payments out of the support collected on their behalf referred to as excess payments. CHPZ (TANF \$0 grant recipient) and CHPX (B5 payment) are excess child support payments.

The current TANF award; and

all past TANF assistance paid out on behalf of the AG.

The B5 excess payment is the difference between a month of the support collection minus the current award and the unpaid past assistance. B5 payments are listed on AEFUI, coded CHPX.

#### **2830.10.10.15 Excess Payment Budget Consideration (C)**

Any excess child support payment collected is to be budgeted as income to the TANF AG. Initial excess payments through ISETS must be researched by IV-D to determine the validity of the payment. Due to the research, these initial payments vary in when the payment is made. IV-D will notify caseworkers via ICES mail or a letter when the payment has been made. Any subsequent excess payments will be sent to the client in the third month after collection.

For ongoing TANF assistance groups assigned to the Treatment Group:

The excess payment, in combination with all other countable income, is compared to 100% of the Federal Poverty Level (FPL). If the net income figure is below this income standard, the AG remains TANF eligible (with the excess payment considered as countable income in calculating the benefit amount). The AG will lose TANF eligibility, however, if the excess support plus all other countable income equals or exceeds the 100 % of FPL income standard for two consecutive months.

For Control Group AG's:

When current support collected in combination with countable income is sufficient to meet the needs of the TANF AG, and an excess payment is received for two consecutive months, the Local Office is to propose discontinuance of the AG.

Excess payments will not necessarily result in case closure, since the budget which produced an excess may no longer be in effect. (For example, earned income may have terminated.) If the AG remains eligible for assistance, the appropriate month's excess is recorded as countable income in computing the benefit for the projected month.

**2830.10.15            Support Refund Payments (C)**

For active and closed IV-D cases, amounts shown in the refund column of the Report 075 will, represent current support to which the Child Support Bureau has no claim. If there is a refund from one particular calendar month for an open case, the Child Support Bureau should be contacted to ascertain what payments the amount represents.

NOTE: On DECB the refund will appear as a system direct payment.

**2830.15.00            CHILD SUPPORT (MED 1, MED 4)**

Child support payments, as defined in Section 2830.00 are counted as unearned income in the full amount paid on behalf of the child. Payments received for a child no longer in the home and not used for the child's benefit are considered a contribution.

**2835.00.00            ASSISTANCE FROM GOVERNMENT PROGRAMS**

The treatment of assistance from government agencies will vary depending on the nature of the program and the payment.

**2835.05.00            ENERGY ASSISTANCE PAYMENTS**

Home energy assistance payments made to or in behalf of the AG by the Indiana Department on Aging and Community Services under the Energy Assistance to Low Income Families Program are excluded for all categories. (f10) This includes the Energy Assistance Program (EAP), Project SAFE, and Project HEAT.

For Food Stamps all federal energy assistance payments are excluded except those provided under Part A of Title IV of the Social Security Act, including utility reimbursements made by HUD and the Rural Housing Service. Additionally, any one-time payment made under federal or state law for the costs of weatherization, emergency repair or replacement of an unsafe or inoperative furnace or heating or cooling device. A downpayment followed by a final payment upon completion of the work is considered a one time payment for this provision.

**2835.10.00            TOWNSHIP TRUSTEE ASSISTANCE**

All payments made by Township Trustees are exempt as income for all programs.

**2835.15.00 HUD PAYMENTS**

HUD payments are payments made by the Department of Housing and Urban Development.

**2835.15.05 HUD Payments (F)**

The Department of Housing and Urban Development (HUD) payments made for an AG's utility costs are considered exempt income.

Rent paid to a landlord or mortgages paid by HUD or by state or local housing authorities are also considered exempt income. Expenses paid by the exempt HUD payments are not allowable as deductions in the Food Stamp budget. Refer to Section 2845.55.00.

**2835.15.10 HUD Payments (C, MED)**

Housing assistance paid directly or indirectly by the United States Department of Housing and Urban Development under the following Acts are exempt:

the Housing Authorization Act of 1976 with respect to a dwelling unit under the United States Housing Act of 1937, as amended (Sections 8, 10, and 23 and the Experimental Housing Allowance Program);

the National Housing Act (loans for housing renovation, mortgage insurance, and investment insurance);

Title V of the Housing Act of 1949 (loans to elderly individuals, farmers, and developers for the construction, improvement, or replacement of farm homes and other buildings); and

Section 101 of the Housing and Urban Development Act of 1965 (payments to certain mortgagors in behalf of tenants with low income who are displaced by government action, age 62 or over, physically handicapped, living in substandard housing, present or past tenants of dwellings damaged or destroyed by disaster, or the head of the household is on active duty with the armed forces. (f11)

**2835.20.00 RELOCATION ASSISTANCE ACT PAYMENTS**

Relocation assistance provided under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (f12) is exempt for all programs.

## **2835.25.00           DISASTER ASSISTANCE PAYMENTS**

Payments made under the Disaster Relief and Emergency Assistance Act of 1988 (f13) are excluded for all programs. There must be a Presidentially declared disaster for these payments to be excluded.

## **2835.30.00           FOSTER CARE AND ADOPTION ASSISTANCE PAYMENTS**

The following sections describe program specific policy on foster care and adoption assistance payments for children and adults received from any agency. Refer to Section 3210.15.05.20.

### **2835.30.05           Foster Care Payments (F)**

Foster care payments for children or adults are included as unearned income if the foster care child or adult is included as a FS AG member. Should the AG choose to exclude the foster care child or adult, the income will not be counted. The child or adult will be treated as a boarder.

In this instance, however, the income from the foster boarder is not counted as boarder income. It must be totally excluded if the foster child/adult is not included as an AG member. (f14)

### **2835.30.10           Foster Care Payments (C, MED)**

Foster care payments received by a foster care parent from any federal, state or local foster care maintenance payments intended to provide for adults or children are exempt income. (f15)

### **2835.30.15           Adoption Assistance (C, MED 2)**

Federal, state or local adoption assistance payments are exempt as income to the assistance group if the child for whom the payments are made is excluded from the assistance group as specified in section 3215.05.20. (f15a)

## **2835.35.00           SUPPLEMENTAL SECURITY INCOME**

The following sections discuss program specific policy on the inclusion or exclusion of income received from the Supplemental Security Income (SSI) program.

SSI benefits are available through the Social Security Administration under Title XVI of the Social Security Act to individuals age 65 or older, blind, or disabled, and who meet specific income and resource requirements. Individuals who have never paid into the Social Security program may be eligible for SSI as well as individuals who are receiving RSDI in an amount less than the current SSI maximum benefit.



Refer to Section 2890.10.10 for appropriate verification sources.

#### **2835.35.05 Supplemental Security Income (F)**

SSI assistance payments are included as unearned income. (f16) SSI benefits recouped by SSA that are not received by the household are not counted as income. An exception is a recoupment due to fraud. The SSI amount is to be listed on AEFUD.

All SSI payments to individuals whose disability is based on Drug Addiction and/or Alcoholism (DAA) are required to be paid to a representative payee. Some organizations act as the representative payee but charge a fee for providing payee services. For Food Stamps, the amount of the fee which the representative payee withholds from the funds it receives on behalf of the SSI recipient is not counted as income. (f40)

SSI payments to individuals whose disability is based on Drug Addiction and/or Alcoholism (DAA) may receive retroactive payments in installments for two or more months depending on the amount due the individual. Because these payments will be recurring they must be counted as income instead of a resource. The individual will receive a notice from SSA informing him/her whether one or more installments will be issued, when to expect each installment and the amount of each installment. (f41)

#### **2835.35.10 Supplemental Security Income (C, MED 2, MED 3)**

Income, resources, and contributions of an SSI recipient are exempt when determining an AG's eligibility. (f17)

The SSI recipient's SSI payment is exempt when determining the SSI individual's Medicaid eligibility.

#### **2835.35.15 Supplemental Security Income (MED 1, 4)**

Within MED 1, the policy stated in this section applies to MA A, MA B, and MA D.

SSI benefits of a non-institutionalized Medicaid applicant/recipient are exempt. (f18) SSI benefits of a non applicant/recipient are counted.

Note: In post-eligibility budgeting, SSI is counted for applicants/recipients in Medicaid-certified facilities with the following exceptions:

The maximum SSI payment for a recipient in a Medicaid-certified facility is \$30. However, the full benefit amount may be erroneously paid for a few months to an individual just entering a facility. These erroneous payments can be disregarded only if the check is returned to the Social Security Administration uncashed.

SSI payments made to recipients who are in 1619 status and who enter public institutions and Medicaid certified facilities (hospital, nursing facility, ICF/MR, or CRF) are not reduced to the \$30 cap for the first two full months of institutionalization. For Medicaid purposes, the SSI payments made during these two months are to be disregarded as income. (f19)

The SSI payments made for 90 days to recipients who are temporarily institutionalized are exempt. The SSA issues a special notice to these recipients indicating they are receiving benefits under P.L. 100-203. The Local Office must retain a copy of this notice in the recipient's case file unless the temporary benefits are documented on DESX.

**2835.40.00            TANF/RCA PAYMENTS (C,F, MED)**

Cash assistance (TANF and RCA) must be included as unearned income. This includes a payment for an AG which has a protective payee or a sanctioned member. TANF paid in the name of an ineligible parent is the child's income for Food Stamp budgets. TANF/RCA payments received from another state for budget month are to be recorded on AEFUI as other non-exempt (ON). Budget method is T.

**2835.40.05            Retroactive/Corrective TANF/RCA Payments (C, F, MED)**

Retroactive/corrective TANF/RCA payments are exempt as income or as a resource in the month of receipt. (f20)  
Thereafter, amounts retained are treated as a resource.

**2835.45.00            FOOD STAMPS/NUTRITION PROGRAMS (C, MED)**

Benefits received under the following federal or federally assisted programs seeking to improve the nutrition of low and moderate income families and individuals are exempt:

Food Stamp Act of 1977, as amended; (f21)

Child Nutrition Act of 1966 (WIC), as amended; (f22)

National School Lunch Act, as amended; (f23)

Title VII Nutrition Program for the Elderly of the Older Americans Act of 1965 (Meals on Wheels), as amended; (f24)

#### **2835.50.00            RESIDENTIAL LIVING ALLOWANCES**

Residential Living Allowances provided by the Semi-Independent Living Program or the Alternative Family Program are exempt.

For MED 1 and 4, this disregard does not apply to Essential Persons. However, the nature of the Semi-Independent Living Program and the Alternative Family Program is such that the applicant/recipient would not have an essential person.

#### **2840.00.00            BENEFIT PROGRAMS**

The following sections discuss types of benefits payable to individuals and their treatment as unearned income.

#### **2840.05.00            SOCIAL SECURITY INCOME**

Benefits that are paid by the Social Security Administration (SSA) are unearned income for all programs. These types of benefits include Retirement, Survivors, and Disability Insurance (RSDI), special age 72 payments (PROUTY), and black lung benefits. These benefits may be available through the SSA under Title II of the Social Security Act to the covered former wage earner and his dependents or survivors.

Black Lung benefits may be available through the United States Department of Labor under Title IV of the Federal Coal Mine Health and Safety Act of 1969 to the former miner and his dependents or survivors. Application for benefits is to be made through the nearest Social Security Administration District Office.

Social Security benefits recouped by SSA that are not received by the household are not counted as income. Refer to Section 2890.10.15 for verification requirements.

All SSI payments to individuals whose disability is based on Drug Addiction and/or Alcoholism (DAA) are required to be paid to a representative payee. Some organizations act as the representative payee but charge a fee for providing payee services. For Food Stamps, the amount of the fee which the representative payee withholds from the funds it receives on behalf of the SSI recipient is not counted as income.(f40) The fee must be indicated on AEFUI by entering "Y" in the "Ded" field. Then the worker will enter the required information regarding this deduction on AEFUD.

#### **2840.10.00            VETERANS' BENEFITS**

Veterans' benefits are unearned income in the form of compensation or pension benefits available through the Department of Veterans' Affairs to veterans and their dependents or survivors.

Compensation is paid to veterans with service connected disabilities and is based on the degree of the disability. Pensions are available to certain wartime veterans who are permanently and totally disabled. Additionally, a veteran who is in a nursing home or who needs regular assistance from another person for daily activities may qualify for an Aid and Attendance Allowance or a Housebound Allowance. A single veteran or a widow of a veteran who is in a Medicaid certified nursing home may be receiving a reduced pension of \$90 per month. (f25)

Any portion of the VA benefit which is allowed for a dependent(s) is considered unearned income of the dependent. Refer to Section 2890.10.20 concerning verification requirements.

The amount being recouped from a veteran's benefit is an allowable deduction, and is to be entered on screen AEFUD.

#### **2840.10.05        Spina Bifida Allowance for Veterans' Children**

Allowances paid to children who are born with Spina Bifida and are children of Vietnam veterans will have this allowance excluded from the income and resource determination for Food Stamps, TANF, MED 1 and 4. (f25a)

The monthly payment is to be considered as exempt income and it will be listed on AEFUI. The code to use is VASB which will exempt this income from the budget calculation.

Left over amounts (previous month's payment that isn't spent in that previous month) of this allowance from previous months payments and/or lump sum payments of this allowance are to be considered as an exempt resource. Document the amount in CLRC. If the client has this in an account with other countable resources, the client must supply the worker with the amount of money that is the Spina Bifida amount so this amount may be exempt from the resource determination. It does not have to be in a separate account, but the client or a family member must keep track of the amount.

**EXAMPLE:**

A client is receiving a monthly payment of \$700 for Spina Bifida for his child and the client is a Vietnam veteran. The \$700 is exempt income and is listed with the proper code on AEFUI.

The next month the client receives another payment of \$700 which is directly deposited into his bank account. The client also has \$500 in this account of which \$400 is money left over from the Spina Bifida allowance received in the previous month. For the resource determination, only \$100 would be listed on AERLA and the remaining \$400 would be documented in CLRC as being left over Spina Bifida allowance from the previous month's payment and this \$400 would be an exempt resource.

**2840.15.00 RAILROAD RETIREMENT BENEFITS**

Railroad Retirement Benefits are unearned income and may be available to former railroad workers and their dependents or survivors. Included are retirement and disability benefits. The Railroad Retirement benefit and Social Security benefit are usually combined in one payment if the individual is entitled to both benefits. Verification of benefits is essential. Refer to Section 2890.10.25.

**2840.20.00 PENSIONS**

Payments may be available from private industry, local or state governments, or the federal government to former employees and their dependents or survivors. These payments are the result of purchase of an annuity, retirement from employment, survivor benefits for a former employee's dependents, or injury or disability, and may be made by an employer, an insurance company, or public or private funds. Pensions are counted as unearned income. Refer to Section 2890.10.35 for verification requirements. The amount of funds being recouped from a pension is an allowable deduction, and is to be entered on screen AEFUD.

**2840.25.00 UNEMPLOYMENT COMPENSATION BENEFITS**

Unemployment compensation benefits (UCB) may be available through Indiana Workforce Development to unemployed individuals who have a recent history of "covered" work and who are currently available for work. UCB is counted as unearned income. Refer to Section 2890.10.40 for verification requirements and Section 4430.30.00 for information on Data Exchange.

**2840.30.00 WORKER'S COMPENSATION**

Worker's Compensation may be awarded to an injured employee or his survivors under federal and state worker's compensation statutes. Payment may be made in a lump sum payment or in monthly payments, and is treated as unearned income. Refer to Section 2890.10.45 for verification requirements.

#### **2840.35.00            STRIKE BENEFITS**

Strike benefits may be awarded to employees who are striking against their employer. Strike benefits are counted as unearned income. Refer to Section 3425.00.00 for Food Stamp striker ineligibility and Section 2446.05.00 for "C" category information.

#### **2840.35.05            Ineligibility Due To Striking (C)**

An AG is ineligible for TANF for any month in which the natural or adoptive parent residing in the home (regardless of whether the parent is included in the award) or the only eligible child is participating in a strike on the last day of the month. (f26) If any other member of the AG is participating in a strike on the last day of the month, that member is ineligible for TANF and his needs are not to be included when determining eligibility for the remainder of the AG. The term "month", as used above, means "payment month".

#### **2840.40.00            MILITARY ALLOTMENTS**

An individual may be receiving or be eligible to receive a military allotment if the spouse, adult child, or parent, is in the United States Armed Forces. These payments are counted as unearned income.

If the individual in the military makes money available to the applicant or participating AG, the money is a contribution to the AG. Usually, this is done by direct deposit into a joint checking account.

For Food Stamps, if any portion of the contribution from the military member is a result of deployment to a combat zone, that portion is excluded from income to the AG. The deployed person's military pay record, the Leave and Earnings Statement (LES) will identify if the member has been deployed to a combat zone and the amount of the combat pay. Contact PAL if questions in regards to combat zones.

#### **2840.45.00            DISABILITY PAYMENTS**

An individual may have insurance coverage that pays a specified amount for a specific period of time during which he is unable to work because of a disabling condition. Such disability payments made by an insurance company directly to

the individual are counted as unearned income. The gross amount of the payments is always entered on AEFUI. If a payment comes directly from the employer (employer cuts the check) it is considered as earned income. The gross amount of the payment in this instance is to be entered on AEINC.

**2840.45.05 Indemnity Health Insurance Payments (MED 1, 4)**

Indemnity health insurance plans pay a specified benefit to a person based on the number of days the individual is hospitalized. There are other variations to this type of insurance, including accident and cancer policies. For eligibility purposes, an indemnity policy means one in which the terms of the plan do not in any way limit the manner in which the applicant/recipient can use the benefits.

Payments made by an indemnity health insurance plan are counted as unearned income unless the applicant/recipient uses the payments to pay his medical expenses. A payment or any portion thereof used to pay the applicant's/recipient's medical expenses is not counted as income.

Once the Local Office verifies the applicant's/recipient's receipt and usage of indemnity benefits, income will be budgeted accordingly. **Note:** Some payments may fall under the definition of lump sum, others may be regular, or fluctuating. In many of these situations the income will be considered through recovery.

The amount of the premium of an indemnity policy is not an income deduction in the post-eligibility income determination of an institutionalized applicant/recipient, nor a medical expense in spend-down determinations.

**2845.00.00 BENEFITS RECEIVED DUE TO FEDERAL LAW**

The benefits that are listed in the following sections are those that are received due to federal statute.

**2845.05.00 DOMESTIC VOLUNTEER SERVICE ACT COMPENSATION**

The following sections discuss benefits received due to federal laws pertaining to the Domestic Volunteer Service Act.

**2845.05.05 Domestic Volunteer Service Act Compensation (F)**

The following payments to volunteers under Title II, the Domestic Volunteer Services Act of 1973, (f28) as amended, are exempt income:

Payments under Title I of the act (including payments from such Title I programs as VISTA, University Year for Action, and Urban Crime Prevention Program) to volunteers are excluded for those households receiving Food Stamps or Cash Assistance at the time they joined the Title I program. Verification of participation in the Food Stamp Program or another Cash Assistance program at the time the client joined VISTA is mandatory.

Households receiving an income exclusion for a VISTA or other Title I subsistence allowance at the time of conversion to the Food Stamp Act of 1977 will continue to receive an income exclusion for VISTA for the length of the volunteer contract in effect at the time of conversion. New applicants who were not receiving Cash Assistance or Food Stamps at the time they joined VISTA will have these volunteer payments included as earned income.

Payments under Title II such as RSVP, and Foster Grandparents and Senior Companion Program.

**2845.05.10            Domestic Volunteer Service Act Compensation  
                          (C, MED)**

The following are exempt income:

Assistance to volunteers who participate in ACTION programs funded under Public Law 93-113, including VISTA and other programs under Title I of that law; and

Payments for supportive services or reimbursement for expenses made to volunteers serving as foster grandparents, senior health aids, or senior companions, and to persons serving on the Service Corps of Retired Executives, Active Corps of Executives, and other programs under Title II and III of the Act.

**2845.10.00            OLDER AMERICANS ACT**

Funds received by individuals under the Community Service Employment Program (Title V) are exempt as income for Food Stamp purposes. The organizations involved in this program are Green Thumb, National Council on Aging, National Council on Senior Citizens, American Association of Retired Persons, U.S. Forestry Services, National Association of Spanish Speaking Elderly, National Urban League, and the National Council on Black Aging.

For C and MED payments other than wages/salaries made under the Older Americans' Act are exempt unearned income. Wages/salaries are earned income.



#### **2845.10.05          Green Thumb Earnings**

Green Thumb earnings are exempt for Food Stamps. See Section 2845.10.00.

Green Thumb earnings are counted as earned income for TANF and MED.

#### **2845.15.00          ASSISTANCE FOR CERTAIN INDIAN TRIBES/ALASKAN NATIVES**

The following Section discusses federal law pertaining to Indian tribes and Alaska natives.

P.L. 92-203, section 29, dated 1/2/76, the Alaska Native Claims Settlement Act, and Section 15 of P.L. 100-241, 2/3/88, the Alaska Native Claims Settlement Act Amendments of 1987 - All compensation (including cash, stock, partnership interest, land, interest in land, and other benefits) received under this Act are excluded from income and resources.

P.L. 93-134, the Judgment Award Authorization Act, as amended by P.L. 97-458, Section 1407, 11/12/83 and P.L. 98-64, 8/2/83, the Per Capita Distribution Act. P.L. 97-458 required the exclusion of per capita payments under the Indian Judgment Fund Act (judgment awards) of \$2000 or less from income and resources. The exclusion applies to each payment made to each individual. Initial purchases made with exempt payments distributed between 1/1/82 and 1/12/83 are excluded from resources to the extent that excluded funds were used. P.L. 98-64 extended the exclusion to cover per capita payments from funds which are held in trust by the Secretary of Interior (trust fund distributions).

P.L. 93-531, Section 22 - Relocation assistance payments to members of the Navajo and Hopi Tribes are excluded from income and resources.

P.L. 94-114, Section 6 - Income derived from certain submarginal land held in trust for certain Indian tribes is excluded from income and resources. The tribes that may benefit are:

- Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin
- Blackfeet Tribe
- Cherokee Nation of Oklahoma
- Cheyenne River Sioux Tribe
- Crow Creek Sioux Tribe
- Lower Brule Sioux Tribe
- Devils Lake Sioux Tribe
- Fort Belknap Indian Community

- Assiniboine and Sioux Tribes
- Lac Courte Oreilles Band of Lake Superior Chippewa Indians
- Keweenaw Bay Indian Community
- Minnesota Chippewa Tribe
- Navajo Tribe

P.L. 94-189, Section 6, 12/31/75 - Funds distributed per capita to the Sac and Fox Indians or held in trust are excluded from income and resources. The funds are divided between members of the Sac and Fox Tribe of the Mississippi in Iowa. The judgments were awarded in Indian Claims Commission dockets numbered 219, 153, 135, 158, 231, 83, and 95.

P.L. 94-540 - Payments from the disposition of funds to the Grand River Band of Ottawa Indians are excluded from income and resources.

P.L. 95-433, Section 2 - Indian Claims Commission payments made pursuant to this Public Law to the Confederated Tribes and Bands of the Yakima Indian Nation and the Apache Tribe of the Mescalero Reservation are excluded from income and resources.

P.L. 96-420, Section 9(c), 10/10/80, Maine Indian Claims Settlement Act of 1980 - Payments made to the Passamaquoddy Tribe, the Penobscot Nation, and the Houlton Band of Maliseet are excluded from income and resources.

P.L. 97-403 - Payments to the Turtle Mountain Band of Chippewas, Arizona are excluded from income and resources.

P.L. 97-408 - Payments to the Blackfeet, Grosventre, and Assiniboine tribes, Montana, and the Papago, Arizona, are excluded from income and resources.

P.L. 98-123, Section 3, 10/13/83 - Funds distributed under this Act to members of the Red Lake Band of Chippewa Indians are excluded from income and resources. Funds were awarded in docket number 15-72 of the United States Court of Claims.

P.L. 98-124, Section 5 - Per capita and interest payments made to members of the Assiniboine Tribe of the Fort Belknap Indian Community, Montana, and the Assiniboine Tribe of the Fort Peck Indian Reservation, Montana, under this Act are excluded from income and resources. Funds were awarded in docket 10-81L.

P.L. 98-500, Section 8, 10/17/84, Old Age Assistance Claims Settlement Act, provides that funds made to heirs of deceased Indians under this Act shall not be considered as income or resources nor otherwise used to reduce or deny food stamp benefits except for per capita shares in excess of \$2000.

P.L. 99-146, Section 6(b), 11/11/85 - Funds distributed per capita or held in trust for members of the Chippewas of Lake Superior are excluded from income and resources. Judgments were awarded in Dockets numbered 18-S, 18-U, 18-C and 18-T. Dockets 18-S and 18-U are divided among the following reservations:

Wisconsin

- Bad River Reservation
- Lac du Flambeau Reservation
- Lac Courte Oreilles Reservation
- Sokaogon Chippewa Community
- Red Cliff Reservation
- St. Croix Reservation

Michigan

- Keweenaw Bay Indian Community (L'Anse, Lac Vieux Desert, and Ontonagon Bands)

Minnesota

- Fond du Lac Reservation
- Grand Portage Reservation
- Nett Lake Reservation (including Vermillion Lake and Deer Creek)
- White Earth Reservation

Under Dockets 18-C and 18-T funds are given to the Lac Courte Oreilles Band of the Lake Superior Bands of Chippewa Indians of the Lac Courte Oreilles Reservation of Wisconsin, the Bad River Band of the Lake Superior Tribe of Chippewa Indians of the Bad River Reservation, the Sokaogon Chippewa Community of the Mole Lake Band of Chippewa Indians, and the St. Croix Chippewa Indians of Wisconsin.

P.L. 99-264, White Earth Reservation Land Settlement Act of 1985, 3/24/86, Section 16 excludes moneys paid under this Act from income and resources. This Act involves members of the White Earth Band of Chippewa Indians in Minnesota.

P.L. 99-346, Section 6(b)(2) - Payments to the Saginaw Chippewa Indian Tribe of Michigan are excluded from income and resources.

P.L. 99-377, Section 4(b), 8/8/86 - Funds distributed per capita to the Chippewas of the Mississippi or held in trust under this Act are excluded from income and resources. The judgments were awarded in Docket Number 18-S. The funds are divided by reservation affiliation for the Mille Lac Reservation, Minnesota; White Earth Reservation, Minnesota; and Leech Lake Reservation, Minnesota.

P.L. 101-41, 6/21/89, the Puyallup Tribe of Indians Settlement Act of 1989, Section 10(b) provides that nothing in this Act shall affect the eligibility of the Tribe or any of its members for any Federal program. Section 10(c) provides that none of the funds, assets or income from the trust fund established in Section 6(b) shall at any time be used as a basis for denying or reducing funds to the Tribe or its members under any Federal, State or local program. (The Puyallup Tribe is located in the State of Washington.)

P.L. 101-277, 4/30/90, funds appropriated in satisfaction of judgments awarded to the Seminole Indians in Dockets 73, 151 and 73-A of the Indian Claims Commission are excluded from income and resources except for per capita payments in excess of \$2000. Payments were allocated to the Seminole Nation of Oklahoma, the Seminole Tribe of Florida, the Miccosukee Tribe of Indians of Florida and the independent Seminole Indians of Florida.

P.L. 101-503, Section 8(b), Seneca Nation Settlement Act of 1990, dated 11/3/90, provides that none of the payments, funds or distributions authorized, established, or directed by this Act, and none of the income derived therefrom, shall affect the eligibility of the Seneca Nation or its members for, or be used as a basis for denying or reducing funds under, any Federal program.

P.L. 93-134, Section 8, 10/19/73, the Indian Tribal Judgment Fund Use or Distribution Act, as amended by P.L. 103-66, Section 13736, 10/7/93, provides that interest of individual Indians in trust or restricted lands shall not be considered a resource and up to \$2000 per year of income received by individual Indians that is derived from such interests shall not be considered income in determining eligibility for assistance under the Social Security Act or any other Federal or federally assisted program.

If other types, not on this list, are encountered, contact the Central Office for guidance.

**2845.20.00            COMPENSATION TO GERMANS, JAPANESE, AND ALEUTS**

German reparation and Japanese and Aleutian restitution payments are discussed in the following sections.

**2845.20.05            Payments to Japanese and Aleuts (F, C, MED 2, 3)**

Payments made under P.L. 100-383 to U.S. citizens of Japanese ancestry and resident Japanese aliens of up to \$20,000 each and payments to eligible Aleuts of up to \$12,000 each are excluded as income.

**2845.20.05.05    Payments To Japanese And Aleuts (MED 1, 4)**

Restitution payments by the U.S. government to individual Japanese-Americans (or, if deceased, to their survivors) and Aleuts who were interned or relocated during World War II are excluded from income and resources. Also, restitution payments from the Canadian government to individual Japanese-Canadians who were interned or relocated during World War II are excluded from income and resources. (f29)

**2845.20.10            German Reparation Payments (MED, C)**

Payments made by the Republic of Germany to certain survivors of the Holocaust may be received periodically or in a lump sum. They are exempt in the eligibility and post-eligibility budget steps of the MED 1 categories.

**2845.25.00            AGENT ORANGE BENEFITS**

Payments made from the Agent Orange Settlement Program (f30) are excluded as income to the veteran receiving the benefit as well as the veteran's survivors. The veteran receives a payment once per year while he is disabled for the life of the program. Survivors of the deceased veteran receive a one time lump sum payment.

**2845.30.00            EARNED INCOME TAX CREDIT**

The earned income tax credit (EITC) is a special tax credit which reduces the Federal tax liability of certain low income working taxpayers. This tax credit may or may not result in a payment to the taxpayer. EITC payments can be received as an advance from an employer or as a refund from the Internal Revenue Service (IRS).

EITC payments received either as an advance or a refund are exempt.

**2845.35.00            YOUTH PROJECT PAYMENTS (F)**

Payments received from the youth incentive entitlement pilot projects, the youth community conservation and improvement projects, and the youth employment and training programs under Title IV of the Comprehensive Employment and Training Act Amendments of 1978, (f31) are exempt as income.

**2845.40.00 CHILD CARE PAYMENTS (C, MED 2, MED 3)**

Child care payments from Step Ahead voucher agents and other government agencies made on behalf of TANF recipients, former TANF recipients transitioning from TANF and families at risk of becoming eligible for TANF are exempt as income. Additionally, no deduction is allowed for dependent care covered by these payments. These payments are income for the child care provider who receives them.

**2845.45.00 MIGRANT NEW SOURCE INCOME (F)**

If a migrant household is determined eligible for expedited service according to Section 1825.25.15, only income received between the first of the month and the application date is included in the budget. All income anticipated from a new source after the application date is disregarded for the month of application.

In regard to the recertification of migrants, income from a new source is disregarded in the first month of the new certification period if income of more than \$25 will not be received from the new source by the 10th calendar day after the date of the AG's normal issuance cycle.

Travel advances should be considered as income to the AG when written into a contract that it will be subtracted from wages by the new employer. Any travel advances which are not considered an advance of wages are not to be considered as income to the AG nor included in the budget determination. Should the travel advance be considered as income as written into a contract by a new employer, use the criteria mentioned in Section 1825.25.15 to determine if the AG is destitute.(f31a)

**2845.50.00 RADIATION EXPOSURE ACT BENEFITS**

Payments made from the Radiation Exposure Compensation Trust Fund established under the Radiation Exposure Compensation Act are exempt as income. (f32)

**2845.50.05 Americorps Program (F)**

Payments made from the Americorps Program are excluded from income for Food Stamp purposes, except when the individual is participating in an OJT (On the Job Training) Program and the individual is not a dependent, (age 18 or under). If verification of participation in Americorp cannot be

obtained locally you may call (202) 606-5000 to verify a recipients Americorp Membership status. You must provide the recipient's Social Security number to Americorp.(f33)

#### **2845.50.10            Crime Victim Payments**

If a crime victim applies for assistance from any federal, state or local government program that uses federal funds, the program may not include victim compensation benefits paid through the Crime Act of 1984 when determining income eligibility.(f34) Victim compensation payments are made to crime victims or their dependents for expenses such as medical expenses, funeral expenses, lost wages and psychological counseling. In Indiana, victim compensation payments are made through the Indiana Criminal Justice Institute's Violent Crime Compensation Division.

#### **2845.52.00            PLAN FOR ACHIEVING SELF-SUPPORT (F)**

Income necessary for the fulfillment of a Plan for Achieving Self-Support (PASS) under SSI is exempt. This income may be earned or unearned income. The amount and type of income exempted must be verified by the Social Security Administration.

#### **2845.55.00            UTILITY EXPENSE PAYMENTS**

Payments made as a result of any Federal law, such as HUD or FmHA, for the purpose of paying an AG's utility expenses, are exempt as income regardless of how they are paid. Refer to Section 3440.50.

#### **2845.60.00            TRANSITIONAL HOUSING PAYMENTS (F)**

Any public assistance housing payments made to a third party on behalf of an AG living in transitional housing for the homeless are exempt as income. Housing is transitional if it serves as an AG's residence until permanent housing is obtained.

#### **2845.65.00            SETTLEMENT PAYMENTS UNDER WALKER V. BAYER CORPORATION, ET.AL. (MED)**

Payments made to individuals from the settlement fund in the class action lawsuit, Susan Walker v. Bayer Corporation, et. al. are exempt as income and resources in the Medicaid eligibility determination. (f34A) As of the date of issuance of IPPM Transmittal #14, it is not known when these payments will be made or the type of verification which the class members will have available to give the caseworker. If applicants or recipients report the receipt of payments under the lawsuit, but cannot provide any documentation, the Policy Answer Line must be contacted.

**2845.70.00            MILITARY SUBSISTENCE ALLOWANCES**

Enlisted members of the Armed Forces may receive a cash benefit up to \$500 per month. The benefits are issued by the Department of Defense and are shown on the member's Leave and earnings Statement as Family Subsistence Supplemental Allowance. This form is the standard wage information form used by the military.

These benefits are to be considered as earned income for all Programs. Enter the income as WS (Wages/Salaries) on AEIEI.

**2850.00.00            DIVIDENDS, INTEREST AND ROYALTIES**

Payments of dividends, interest, and royalties are considered unearned income. This includes interest on checking accounts and trust accounts.

Dividends that the household has the option of either receiving as income or reinvesting in the trust stock or bond are to be considered as income in the month they become available to the household.

For the MED 1 and 4 categories, dividends paid on life insurance policies are exempt. Refer to Sections 2825.10.00 and 2825.15.00.

**2850.05.00            INTEREST ON INDIVIDUAL DEVELOPMENT ACCOUNTS**

Interest income that is earned on an Individual Development Account (IDA) under the Assets for Independence Act (AFIA), Public Law 106-554, is excluded from income. (See also IPPM 2630.95.00.

**2855.00.00            REIMBURSEMENTS**

Reimbursements for past or future expenses are exempt if they do not exceed actual expenses and do not represent a gain or benefit. To be exempt, these payments must be specifically intended and used for expenses other than normal living expenses. Normal living expenses include the amount spent for rent or mortgage, personal clothing, and food eaten at home.

Any part of the reimbursement amount that exceeds the actual expense is included as income. However, reimbursements are not considered to exceed actual expenses, unless the AG or the provider indicates the amount is excessive.

Reimbursements for normal household living expenses such as rent or mortgage, personal clothing, or food eaten at home are a gain or benefit and, therefore, are included as income. Reimbursements from employers over and above the



basic wages for necessary job related expenses are exempt.(f35)

#### **2860.00.00      EDUCATIONAL INCOME DEFINITION**

Educational income includes, but is not limited to, grants, scholarships, fellowships, work-study, veterans educational benefits, and deferred educational loans (loans received for educational expenses which are to be repaid at a later date, usually after graduation), that is used for tuition and mandatory fees at an institution of post secondary education, including correspondence schools at that level or a school at any level for the physically or mentally handicapped.

Wages from graduate assistantships are not treated as educational income if they are subject to taxation and are available for meeting the individual's non-educational living expenses; they are budgeted as earned income.

A loan on which repayment must begin within 60 days after receipt is not considered a deferred loan.

Educational income received by any person determined to be an eligible AG member is to be considered in the budget calculation.

#### **2860.05.00      EXEMPT EDUCATIONAL INCOME**

Grants, awards, scholarships and work study income received under Title IV of the Higher Education Act or the Bureau of Indian Affairs (BIA) programs are exempt. For FS, these types of income are exempt for all students. For TANF and Medicaid, they are exempt only for undergraduate students. Included are the following:

Basic Educational Opportunity Grants (BEOG or PELL Grants);

Presidential Access Scholarships (Super PELL Grants);

Supplemental Educational Opportunity Grants (SEOG);

State Student Incentives Grants (SSIG);

Federal Work Study Funds (NOTE: Not all Federal work study funds come under Title IV of the Higher Education Act.) (Refer to Section 2860.15.00);

TRIO Grants (Go to organizations or institutions for students from disadvantaged backgrounds):

Upward Bound (Some stipends go to students);  
Student Support Services;

Robert E. McNair Post-Baccalaureate Achievement.

Robert C. Byrd Honors Scholarship Program;

College Assistance Migrant Program (CAMP) for students whose families are engaged in migrant and seasonal farm work;

High School Equivalency Program (HEP);

National Early Intervention Scholarship and Partnership Program.

Federally funded educational loans are exempt for all students (undergraduate and graduate) for all programs. They include the following:

Federal Direct Student Loan Programs (FDSLPL) (formerly GSL and FFELP);

Federal Direct Supplemental Loan Program (provides loans to students);

Federal Direct PLUS Program (provides loans to parents);

Federal Direct Stafford Loan Program; and

Federal Consolidated Loan Program.

Direct loans to students in institutions of higher education (Perkins Loans, formerly NDSL).

#### **2860.10.00        NON-EXEMPT EDUCATIONAL INCOME**

Student financial assistance received from a source not listed in Section 2860.05.00 is considered as non-exempt income. However, it is not necessarily budgeted as income to the AG. Non-exempt educational income is included only to the extent that it is accessible for meeting the AG's general living expenses. When educational income is inaccessible (received directly by the school in an amount less than or equal to the student's educational expenses as verified by the financial aid office), it is excluded from budgeting for all programs. Non-exempt educational income sent directly to the student or refunded by the school after tuition and fees have been paid is budgeted. However, any remaining allowable educational expenses are deducted from it. This applies to undergraduate and graduate students alike. Non-exempt educational income includes assistance provided under the Carl D. Perkins Vocational Educational Act. Programs under this Act include the following:

Indian Vocational Education Program;

Native Hawaiian Vocational Education Program;

State Vocational and Applied Technology Education Program which contains the:

State Program and State Leadership Activities;

Program for Single Parents, Displaced Homemakers, and Single Pregnant Women;

Sex Equity Program;

Programs for Criminal Offenders;

Secondary School Vocational Education Program;

Post-secondary and Adult Vocational Education Program;

State Assistance for Vocational Education Support Programs by Community Based Organizations;

Consumer and Homemaking Education Program;

Comprehensive Career Guidance and Counseling Program;

Business-Labor-Education Partnership for Training Program;

National Tech-Prep Education Program;

State-administered State Grants for Facilities and Equipment and Other Program Improvement Activities;

Community Education Employment Centers Program;

Vocational Education Lighthouse Schools Program;

Tribally Controlled Post-secondary Vocational Institutions Program;

Vocational Education Research Program;

National Network for Curriculum Coordination in Vocational and Technical Education;

National Center or Centers for Research in Vocational Education;

Materials Development in Telecommunications Program;

Demonstration Centers for the Training of Dislocated Workers Program;

Vocational Education Training and Study Grants Program;

Vocational Education Leadership Development Awards Program;

Vocational Educator Training Fellowships Program;

Internships for Gifted and Talented Vocational Education Students Program;

Business and Education Standards Program;

Blue Ribbon Vocational Education Program;

Educational Programs for Federal Correctional Institutions;

Vocational Education Dropout Prevention Program;

Model Programs of Regional Training for Skilled Trades;

Demonstration Projects for the Integration of Vocational and Academic Learning Program;

Cooperative Demonstration Programs;

Bilingual Vocational Training Program;

Bilingual Vocational Instructor Training Program;

Bilingual Materials, Methods, and Techniques Program.

#### **2860.15.00      WORK STUDY (F, C, MED 2, MED 3)**

Work study educational income is received for the performance of work. Work study income administered by the Secretary of Education is exempt for C, MED 2, and MED 3. Work study funded by Title IV is exempt for F. Refer to Section 2860.05.00.

#### **2865.00.00      LOANS**

A loan in the month of receipt is exempt providing there is a verifiable repayment schedule in effect.

A source with which to repay the loan need not exist for the loan to be exempt. (f36)

#### **2866.00.00      REVERSE MORTGAGES**

A reverse mortgage is a mortgage contract that allows a homeowner, age 62 or older, to borrow a percentage of the appraised value of his home. The homeowner then receives either a periodic payment or a line of credit which does not have to be repaid as long as he lives in the home. The proceeds from a reverse mortgage are not counted as income in the month received. However, if they are retained into the following month, they must be evaluated as resources.

Another reverse mortgage arrangement consists of the purchase of an annuity and is called a reverse annuity mortgage (RAM). Annuity payments from a reverse annuity mortgage are counted as unearned income.

#### **2870.00.00        CONTRIBUTIONS**

All direct money payments from any source that represent a gain or benefit to the individual, with no obligation to repay, are included as unearned income.

#### **2870.05.00        CONTRIBUTIONS (F, C, MED 2, MED 3)**

Cash contributions made by non-recipient household members toward living expenses shared with the AG are exempt. (See Section 3440.50.00.)

Refer to Section 2825.05.00 concerning the treatment of charitable donations for Food Stamps.

#### **2875.00.00        REAL ESTATE INCOME**

Income from real estate includes any funds resulting from property ownership. This income can be earned or unearned, depending on the program involved and the individual's management activity.

The following sections describe income received from rental property, sales contracts on property, and room and board.

#### **2875.05.00        RENTAL INCOME**

Rental income is any payment for using real or personal property. Examples of rent include payments for the use of:

- land;
- buildings;
- an apartment, room, or house; or
- machinery or equipment.

#### **2875.05.05        Rental Income (F)**

If an individual spends less than 20 hours per week actively managing the rental property as a business, the net rent income (gross income minus expenses) is included as unearned

income. If an individual spends 20 or more hours per week actively managing the rental property, the net rent income is included as earned income. Income from roomers/boarders is always earned income, regardless of time spent managing. Refer to Section 2810.30.

**2875.05.10          Rental Income (C, MED 2, MED 3)**

Income received from the rental of real estate is considered earned income if the arrangement requires participation by the assistance group member in managing the property. If the property is managed by someone else, the income received from the rental of the real estate is unearned income. Refer to Section 2810.30.

**2875.05.15          Rental Income (MED 1, MED 4)**

Rental income that is payment for the use of real or personal property is unearned income. Rental payments may be received for the use of land (including farm land), for land and buildings, for a room, apartment, or house, or for machinery and equipment.

Another type of rental situation occurs when an individual owns multiple rental units, so that he is actually administering a rental business. That situation is considered self-employment, and the resulting income is earned income. Refer to Section 2810.30.

**2875.10.00          INCOME FROM CONTRACT SALES**

Income from land contract sales is paid in installments. The following sections discuss the treatment of payments from contract sales.

**2875.10.05          Income From Contract Sales (F)**

Income received in installments from the sale of a home is included as unearned income when it exceeds expenses. Income from property sales is handled the same as self-employment income in that expenses may be deducted from the cost of producing the income. Typical expenses that may be deducted from the income include the interest portion of any mortgage still owed, taxes, insurance, or broker fees.

If the income derived is from sale of business equipment or property connected with the self-employment enterprise, then the total gain from sale of capital goods or equipment related to the business is considered earned income from self-employment. Appropriate deductions as above may be allowed.

**2875.10.10          Income From Contract Sales (C, MED 2, MED 3)**

When property is sold on contract, any payment of interest received as a result of the sales contract, including the interest portion of a periodic payment, is unearned income. The portion of the payment which represents principal is considered a non-exempt resource.

The equity value of a contract is to be considered a resource except when the contract contains a clause that prohibits the owner from selling or transferring the contract. In such an instance, the equity value is exempt.

#### **2875.10.15            Income From Contract Sales (MED 1, MED 4)**

When real property is sold on contract, the monthly contract payments are considered unearned income. (f37) Allowable ownership expenses are deducted to determine the amount to be budgeted. Payments received on a basis other than monthly are to be prorated to establish a monthly amount. The down payment is considered a resource.

Allowable ownership expenses for a land contract are:

- interest on mortgage;
- insurance on property and equipment;
- principal on the mortgage; and
- property taxes

#### **2880.00.00            LUMP SUM PAYMENTS**

A lump sum is any type of cumulative payment made to an individual. A payment of retroactive benefits such as SSI, Social Security, Veterans' benefits, or a refund of Medicare Part B premiums is considered a lump sum. Insurance settlements, inheritances, and lottery winnings are also examples of lump sum payments. When evaluating a lump sum, the caseworker must carefully determine whether it is a recurring payment or a non-recurring payment. Non-recurring means the payment is a one time payment: is not expected to be received from the same source for the same reason as a lump sum again. Conversely, if a payment is expected to be received again from the same source, it is considered to be a recurring lump sum payment. Each assistance program has specific requirements for the treatment of lump sum payments as resources or income. The Food Stamp resource provisions are contained in section 2615.65.05. Lump sum income provisions are contained in sections, 2880.05 (FS), 2880.10.00 (C, MED 2, 3) and 2880.15 (MED 1, 4). TANF and MED 2, 3 budgeting procedures for calculating a period of ineligibility are located in Chapter 3400.

#### **2880.05.00            RECURRING LUMP SUM PAYMENTS (F)**

Money received in the form of recurring lump sum payments are considered as income. At the time it becomes known that a series of lump sum payments will be received it is considered income to the AG. Recurring lump sum payments are counted as income in the month received, unless specifically excluded from consideration as income by other federal laws.

SSI payments to individuals whose disability is based on Drug Addiction and/or Alcoholism (DAA) may receive retroactive payments in installments for two or more months depending on the amount due the individual. Because these payments will be recurring they must be counted as income instead of a resource. The individual will receive a notice from SSA informing him/her whether one or more installments will be issued, when to expect each installment and the amount of each installment.(f23)

SSI has begun to issue recurring lump sum payments to recipients who are due retroactive amounts that equal or exceed 12 times the benefit rate. These retroactive benefits will be paid in no more than 3 installments and the installment payments will be made at 6 month intervals. These recurring lump sum installments are excluded as income.

#### **2880.10.00           NON-RECURRING LUMP SUM PAYMENTS (C)**

Within the programs designated above, this policy applies only to the following categories: ADCR, ADCU, ADCI.

A non-recurring lump sum payment, as defined in Section 2880.00, will be counted as income in the month of receipt or budgeted over a calculated period of time to establish a period of ineligibility. The procedure to be used is dependent upon when the lump sum is received and who receives it. Budgeting procedures are explained in Sections 3435.00 and 3435.05.

A period of ineligibility is calculated when a non-recurring lump sum payment was received on or after the date of application for assistance. This provision applies to non-recurring lump sum payments received by participating members of the AG and to mandatory members who would be participants if they were not under IMPACT or IV-D sanction.

Exempt from this provision are the following non-participating members of the AG:

Non-participating step-parents.

Non-participating parents of minor parents applying for or receiving TANF.



Sponsors of aliens.

Parents excluded from the AG because they do not meet alien or citizenship requirements.

Spouses of TANF recipient non-parental caretaker relatives.

When an optional TANF AG member, as defined in Section 3215.05.10, receives a non-recurring lump sum payment which, together with other countable income, makes the AG ineligible, the optional individual can request that he or she be removed from the TANF. If the optional member is removed, the lump sum income will no longer be attributed to the remaining members of the assistance group beginning with the first month the individual is not included in the assistance group. Further, if the individual receiving the lump sum income is terminated from TANF prior to the month of receipt of the lump sum income, the eligibility of the other members of the assistance group would not be affected by the former member's receipt of lump sum income. If the optional AG member reapplies for assistance, the remaining period of ineligibility is imposed. If the optional member elects to remain a member of the assistance group, the period of ineligibility is applied.

Calculation of the period of ineligibility is found in Section 3435.

Lump sum income is exempt if it is: (f38)

a settlement or judgment that is earmarked and used for the purpose for which it is paid; for example, moneys for back medical bills resulting from an accident or injury, funeral or burial costs, replacement or repair of resources (when the resource would be exempt as a resource), or legal fees incurred as a result of the settlement or judgment; (f39)

a compensation received for replacement of lost, stolen, damaged, or destroyed real or personal property (when the real or personal property would be exempt as a resource);

an inheritance which is received by a beneficiary and is used for the burial expenses of the deceased benefactor;

a federal or state income tax refund;

a refunded security deposit paid on rental property or utilities;

a payment deposited in a guardianship account which is unavailable;

property or funds received resulting from a dissolution of marriage;

back pay of Supplemental Security Income.

**2880.15.00        LUMP SUM PAYMENTS (MED 1, MED 2, MED 3, MED 4)**

For applicants, any lump sum payment received in a month prior to the month in which authorization of the application takes place, is income in the month of receipt. However, for an active AG, an unanticipated non-recurring lump sum payment does not affect eligibility in the month of receipt, and Medicaid benefits paid during the month of receipt are not recoverable. Any portion of the lump sum remaining after the month of receipt is a resource. Recurring lump sum payments are budgeted as income.

**2885.00.00        DEEMED INCOME**

Deemed income refers to a special budgeting calculation in which a portion of an individual's income is considered available to participating AG members. Individuals whose income may be deemed differs by program. Deemed income is considered as unearned income in the budget.

For additional information regarding deeming, refer to Section 3450.45.

**2890.00.00        VERIFICATION OF INCOME**

All income must be documented and verified.

Income can be verified through a written, phone, or personal collateral contact with the employer or source of income. When verifying income, the date and source of verification and the receipt date and amount of income received must be recorded.

If verification is obtained by phone, the name, position, and phone number of the person providing the information must be recorded in Running Record Comments along with the date of contact.

The caseworker is responsible for obtaining and verifying all pertinent information regarding the financial situation of the applicant/recipient in order to make accurate determinations of initial and continuing eligibility. The applicant/recipient must supply required documents and records and must assist the County Office in obtaining verifications.

All documents must be completed and signed by the appropriate individuals (for example, the employer, the client). Documentation may also be supported by comments entered in the Running Records Comment section. For time standards and responsibility for verification refer to Sections 2025.00, 2215.15.00 and 2220.00.

#### **2890.05.00            VERIFICATION OF EARNED INCOME**

All earned income must be verified by the source. Information that must be verified includes:

- the first and last dates of employment;
- the first and last day of pay;
- gross income, including overtime and tips;
- frequency of payment;
- date payment is received; and
- the number of hours employed.

Acceptable forms of verification include, but are not limited to, the following:

- wage receipts;
- wage statements;
- pay stubs;
- employment verification form or written statements containing the required information;
- collateral contact with employer;
- work calendar (for tips and daily cash payments);

#### **2890.05.05            Verification of Self-Employment Income/Expenses**

Self-employed individuals must verify earned income. In addition, these individuals must make all business records which are necessary to verify income and/or expenses available to the caseworker. Examples of business records include documentation on:

- income tax records necessary to determine gross income and deductible expenses;
- purchases;
- sales;
- salaries;

capital improvements; and

utility, transportation, and other operating costs.

#### **2890.10.00 VERIFICATION OF UNEARNED INCOME**

All unearned income must be verified. The following sources may be used to verify unearned income:

BENDEX or SDX;

SSA award letters;

TPQY computer cards;

VA award letter;

pension check or award letter;

correspondence with the payor;

Unemployment Compensation award letter;

support court statement and/or current statement from payor; and

interest on bank account statements.

Accessing DERL by SSN or RID will list any data exchange matches for all AG members. The compliance tracking screen (DECT) will be used to track "matches" from Data Exchange (DE) with the agencies that provide income eligibility verification system (IEVS) matching. The agencies and the type of match(es) they provide are as follows:

Internal Revenue Service (IRS):

Unverified Unearned Income Data Exchange (UUIIDX)  
(TRAN:DEUX)

Social Security Administration (SSA):

Beneficiary Earnings Exchange Record (BEER)  
(TRAN:DEBR)

Beneficiary Data Exchange (BENDEX) (TRAN:DEBN)

State Data Exchange (SDX) (TRAN:DESK)

Indiana Department of Employment and Training (IDETS):

Wage Data Exchange (WDX) (TRAN:DEWX)

Unemployment Insurance (UI) (TRAN:DEUI)

More information concerning Data Exchange is found in:

- Section 4430.05.00 - BEER
- Section 4430.10.00 - BENDEX
- Section 4430.15.00 - SDX
- Section 4430.35.00 - WDX
- Section 4430.30.00 - UI
- Section 4430.40.00 - UIDEX

#### **2890.10.05      Verification of Support Payments**

Verification of support payments must be obtained. The following sources may be used to verify support.

Verification from the County Clerk's Office if paid through the court;

If the absent parent does not pay through the County Clerk's Office, a signed statement showing the amount paid and how often it is paid must be obtained from the absent parent; or

Case Payment Information (DECB)

#### **2890.10.10      Verification of Supplemental Security Income (SSI)**

Sources of verification of SSI include:

- SDS, DESX;
- IQSSA;
- the entitlement letter; or
- the benefit check, which will be the net payment.

If the individual does not appear on the SDX, the following sources may be used:

- Form SSA 1610;
- TPQY computer cards.

IQSSA lists all persons receiving SSI benefits. IQSSA displays the same information that is on DESX. IQSSA is updated daily and will, therefore, have the latest benefit information for each SSI recipient. Since information is accessible on individuals who are not on any of Indiana's assistance programs confidentiality guidelines (see Section 1425.00.00) must be strictly followed.

Refer to Section 2835.35 for discussion on inclusion or exclusion of SSI income.

#### **2890.10.15      Verification of Social Security Income**

The Social Security Administration rounds down the entitlement amount to the nearest whole dollar. The amount of all Social Security checks (with a few rare exceptions) are in whole dollars.

When verifying Social Security benefits, the "unrounded gross benefit amount" and the "net payment amount" (Medicare Part B is withheld) are required. The "gross payment amount" is the unrounded amount with the cents dropped and is the amount of the benefit check for an individual who does not have the Medicare Part B deducted. Enter the unrounded gross benefit on AEFUI for individuals who have Medicare Part B deducted. Enter Medicare Part B on AEFME as MS (self pay) or MB (bought-in). Refer to Sections 2434.10.05 and 3440.45.00.

Sources of verification of Social Security include:

The uncashed benefit check (by itself) if:

the individual does not have Medicare Part B coverage; or

the individual is on Buy-In.

Form SSA-1610 - request verification of the "unrounded gross benefit amount" and the "net payment amount".

TPQY computer cards;

BENDEX (DEBN); or

the entitlement letter if the unrounded gross benefit and "net payment amount" is clearly specified.

#### **2890.10.20 Verification of Veterans' Benefits**

Verification of Veterans' Benefits generally has to be obtained by contacting the Department of Veterans' Affairs. If the veteran has no dependents, the amount can be verified by the benefit check or entitlement letter. However, if the benefit includes an allowance for dependents, the caseworker must request a breakdown of the benefit. If the Department of Veterans' Affairs will not provide such breakdown, the entire amount is considered income to the veteran. Refer to Section 2840.10.00.

#### **2890.10.25 Verification of Railroad Retirement**

Verification of the gross monthly entitlement must be obtained and entered on AEFUI. This is the full entitlement amount without the deduction of the Medicare Part B premium. Sources of verification include:

Railroad Retirement Board; or  
the entitlement letter.

Railroad retirement benefit is combined with the Social Security amount and is contained in one check for most railroad retirement recipients. Data Exchange screen DEBN only matches the Social Security amount. Enter the Social Security amount and the Railroad Retirement amount separately on AEFUI. Refer to Section 2840.15.00.

#### **2890.10.30          Verification Of Black Lung Benefits**

Sources of Black Lung benefits verification include:

the benefit check;

the SSA District Office for benefit checks received on the third of the month;

for benefits paid on the 15th of the month, contact the United States Department of Labor, Division of Coal Mine Workers Compensation, 121 East State Street, Columbus, Ohio 43215 - Telephone: (614) 469-5227

#### **2890.10.35          Verification Of Pensions**

Verification of the gross amount of a pension payment must be obtained. Viewing the check will not provide accurate information since optional deductions, such as federal income taxes and health insurance premiums, are often withheld. The worker must verify if any deductions are mandatory or optional. Sources of verification include:

notices regarding benefit amounts, deductions, and payments in the possession of the individual; and

correspondence from the payor.

Verification of the gross amount of a federal pension can be obtained by writing to the Office of Personnel Management, Insurance and Retirement Programs, Washington, D.C. 20415. The request for information must contain the individual's name and Civil Service Annuitant (CSA) number. Any medical insurance premium should be entered on AEFME and medical insurance coverage on AEFMC. Refer to Sections 2434.10.05 and 3440.45.00.

#### **2890.10.40          Verification of Unemployment Compensation Benefits (UCB)**

An automatic request for verification of Unemployment Compensation Benefits (UCB) is accomplished through data exchange for AG members. This request is completed for all AG members, age 16 and over, at Application and for ongoing

cases also. ICES generates a file for all AG members who also are receiving UCB. Each caseworker who has such a case receives an alert so the file on screen DEUI can be reviewed in a timely manner. The information from Indiana Workforce Development includes wage and unemployment verification from the prior month. A Discrepant Information Request Notice can be generated by ICES to send to the AG to verify what caused a change in unemployment benefits. If an unpaid balance is listed on DEUI, the client may have returned to work. If only part of the maximum benefit is being paid out there may be a deduction for child support, recoupment or part-time earnings. Refer to Sections 2840.25.00 and 4430.30.00.

UI and work history information for individuals not in ICES may be requested by the Local Office. The information is requested from ICES at CICS session on the supersession menu. However, this may only be accessed by the worker assigned this duty by the county security coordinator. The security coordinator must call 232-3251 or 1-800-382-1095 to get CICS added to the supersession menu. ICES must be informed (234-0489) to get the worker authorization.

Information older than 1½ years is not available on CICS. This information must be requested in writing by DFC Claims Staff and sent to:

DWD Benefit Payment Control Unit

Room SE 203, 10 North Senate Avenue

Indianapolis, IN 46204

The request must include the full name, SSN and time period needed (prior to the most recent six quarters which are available on CICS).

#### **2890.10.45 Verification Of Worker's Compensation**

Inquiries regarding entitlement to benefits are to be directed to the Industrial Board, Indiana Government Center South, 402 West Washington Street, Room W-196, Indianapolis, Indiana 46204.

Verification of the amount of such payment, payment receipt date intervals, and the length of time for which payments are approved is to be obtained by viewing the award notice in the possession of the individual, or by contacting the Industrial Board. When contacting the Industrial Board, the name of the employee, the date of injury, and the name of the employer should be given.

If a portion of the award is verified as being designated for medical, legal, or related expenses paid or deducted at



the source and is not controlled by the individual, that portion is to be deducted from the amount of the award when determining the amount of the payment that is available to the individual. Refer to Section 2840.30.00.

#### **2890.10.50          Verification Of Educational Income**

All student income from educational grants, scholarships, and loans must be verified and documented. Documentation must include the name of the educational institution and the amounts of any grants, scholarships, and loans; the type of assistance, the dates covered and expenses covered (earmarked by each source of income). If the income includes grants or scholarships which are not automatically exempt (see Section 2860.65.00), the school must also verify whether the funds are sent directly to the school or to the student. If the school receives the educational income directly and the amount exceeds the student's documented educational expenses, a financial aid administrator must be questioned as to whether the school expects to refund the difference to the student at some point. The Expected Changes screen (AEFEC) may be used to alert the caseworker to a future refund. (See Section 2860.10.00 for additional information on non-exempt educational income.)

Verification may be obtained in writing or by telephoning the school or loan office. If telephone verification is obtained, the date of contact and name, position, and phone number of the person providing the information must be recorded in Running Record Comments.

A written agreement with the lending institution which contains the necessary dates and that is signed by the individual will also serve as documentation.

#### **2899.00.00          FOOTNOTES FOR CHAPTER 2800**

Following are the footnotes for Chapter 2800:

- (f1)            45 CFR 233.20
- (f3)            405 IAC 2-3-3
- (f4)            7 CFR 273.9(b)(1)(iii)
- (f5)            405 IAC 2-3-13
- (f6)            7 CFR 273.9(c)(2)
- (f7)            7 CFR 273.9(c)(12)
- (f8)            470 IAC 10.1-3-4
- (f9)            405 IAC 2-3-3
- (f10)           470 IAC 10.1-3-4; (C, MED 2, 3)  
                 7 CFR 273.9(c)(11); (F)  
                 405 IAC 2-3-3; (MED 1)  
                 20 CFR 416.1157
- (f11)           P.L. 94-375, Section 2 (h);  
                 P.L. 92-213, Section 9; 20 CFR 416.1124 and 1238
- (f12)           P.L. 91-646, Section 216; 20 CFR 416.1236

(f13) P.L. 100-707; 20 CFR 416.1237  
(f14) Murray vs. USDA vs. Court of Appeals 8th Circuit  
8/16/88 and Foster vs. USDA vs. Court of Appeals  
2nd Circuit 6/24/88)  
(f15) 45 CFR 233.20(a)(1)(II); (C, MED 2, 3)  
405 IAC 2-3-3; (MED 1)  
20 CFR 416.1124 (MED 4)  
(f15a) 45 CFR 233.20(a)(1)(ii)  
(f16) 7 CFR 273.9(b)(2)  
(f17) 45 CFR 233.20  
(f18) Social Security Act, Section 1902(f)  
(f19) Section 1619 of the Social Security Act  
(f20) Social Security Act, Section 402(a)(22);  
45 CFR 233.20  
(f21) P.L. 88-525, Section 7(c); 20 CFR 416.1124(b)  
(f22) P.L. 89-642, Section 11(b); 20 CFR 416.1124(b)  
(f23) P.L. 90-302, Section 13(h); 20 CFR 416.1124(b)  
(f24) P.L. 92-258, Section 709; 20 CFR 416.1124(b)  
(f25) Section 3203 of Title 38 U.S.C. as amended by  
OBRA-90  
(f25a) P.L. 104-204  
(f26) Social Security Act, Section 402(a)(21);  
45 CFR 233.106  
(f27) 405 IAC 2-3-3  
(f28) P.L. 93-113  
(f29) 20 CFR 416.1124(b);  
20 CFR 416.1236  
(f30) P.L. 101-201; 20 CFR 416.1124(b); 20 CFR 1236  
(f31) P.L. 95-524  
(f31a) 7 CFR 273.10(e)(3)  
(f32) P.L. 101-426  
(f33) P.L. 101-610  
(f34) P.L. 103-322  
(f34a) Section 4735 of the Balanced Budget Act of 1997  
(P.L. 105-33)  
(f35) 7 CFR 273.9(c)(5)  
(f36) 405 IAC 2-3-11;  
470 IAC 10.1-3-4;  
7 CFR 273.9(c)(4)  
(f37) 405 IAC 2-5-1(a)(3)  
(f38) 470 IAC 10.1-3-6  
(f39) 45 CFR 233.20(3)(6)(ii)(F)  
(f40) 7 CFR 273.9(c)(1)  
(f41) 7 CFR 273.9(c)(8)